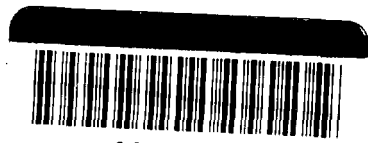


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NETWORK ONE HOLDINGS CORP.
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

02-010-15



NAME OF ISSUER: NETWORK ONE HOLDINGS CORP. 02049158
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CONTACT PERSON: EDDY CHENG
CONTACT'S POSITION: PRESIDENT
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SUPPL

PROCESSED

AUG 30 2002

THOMSON
FINANCIAL

APPROVED BY THE BOARD OF DIRECTORS:

EDDY WAI CHIU CHENG	"EDDY WAI CHIU CHENG"	(02/07/30)
NAME OF DIRECTOR	SIGNATURE	DATE SIGNED (YY/MM/DD)

JEAN SIMARD	"JEAN SIMARD"	(02/07/30)
NAME OF DIRECTOR	SIGNATURE	DATE SIGNED (YY/MM/DD)

[Handwritten signature] 8/21

NETWORK ONE HOLDINGS CORP.

BALANCE SHEETS

AS AT

(UNAUDITED)

	<u>June 30, 2002</u>	<u>March 31, 2002</u>
ASSETS		
CURRENT		
Cash	\$ -	\$ 533
Accounts receivable	<u>80,121</u>	<u>80,071</u>
	\$ <u>80,121</u>	\$ <u>80,604</u>
LIABILITIES		
CURRENT		
Bank overdraft	\$ 70	\$ -
Accounts payable	<u>50,227</u>	<u>49,453</u>
Short-term loans (Note 3)	<u>11,000</u>	<u>11,000</u>
	<u>61,297</u>	<u>60,453</u>
LOANS (Note 3)	<u>577,763</u>	<u>574,763</u>
	<u>639,060</u>	<u>635,216</u>
SHAREHOLDERS' DEFICIENCY		
SHARE CAPITAL		
Authorized: 100,000,000 common shares		
without par value		
Issued: 4,033,517	1,639,566	1,639,566
DEFICIT	<u>(2,198,505)</u>	<u>(2,194,178)</u>
	<u>(558,939)</u>	<u>(554,612)</u>
	\$ <u>80,121</u>	\$ <u>80,604</u>

APPROVED BY THE DIRECTORS:

"Eddy Cheng" Director

"Jean Simard" Director

NETWORK ONE HOLDINGS CORP.
STATEMENTS OF LOSS AND DEFICIT
FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

	<u>2002</u>	<u>2001</u>
SUNDRY INCOME	\$ <u>-</u>	\$ <u>200</u>
EXPENSES		
Management fees <i>(Note 2)</i>	3,000	-
Office and miscellaneous	300	13
Professional fees	500	125
Transfer agent and regulatory fees	<u>527</u>	<u>90</u>
	<u>4,327</u>	<u>228</u>
NET LOSS FOR THE PERIOD	4,327	28
DEFICIT, BEGINNING OF PERIOD	<u>2,194,178</u>	<u>2,262,577</u>
DEFICIT, END OF PERIOD	\$ <u>2,198,505</u>	\$ <u>2,262,605</u>
LOSS PER SHARE	\$ <u>0.00</u>	\$ <u>0.000</u>

NETWORK ONE HOLDINGS CORP.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

	<u>2002</u>	<u>2001</u>
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net loss from operations	\$ (4,327)	\$ (28)
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(50)	33
Increase (decrease) in accounts payable	774	-
	<u>(3,603)</u>	<u>5</u>
FINANCING ACTIVITIES		
Loan from a director	<u>3,000</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	(603)	5
CASH, BEGINNING OF PERIOD	<u>533</u>	<u>259</u>
CASH (DEFICIENCY), END OF PERIOD	\$ <u>(70)</u>	\$ <u>264</u>

NETWORK ONE HOLDINGS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

1. ACCOUNTING POLICIES

- a) These financial statements have been prepared in accordance with generally accepted accounting principles in Canada and follow the same accounting policies and methods of application as per the March 31, 2002 annual financial statements. These interim financial statements do not contain all the information that is presented in annual financial statements. They should be read in conjunction with the most recent annual financial statements of the Company, prepared as of March 31, 2002.

- b) Income (loss) per share

Income (loss) per share is calculated on the basis of the weighted-average number of common shares outstanding during the period. The effect of potential issues of shares under warrant or share option arrangements is anti-dilutive.

- c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. RELATED PARTY TRANSACTIONS

During the period ended June 30, 2002, the Company accrued management fees payable to its president of \$3,000.

3. LOANS

The loans are without interest or stated terms of repayment and are unsecured. Of these loans, \$315,610 (March 31, 2002: \$312,610) is payable to a director. The loans have been classified as non-current liabilities, as part of any restructuring of the Company's affairs would involve management's intention to settle these loans by issuance of shares of the Company.

NETWORK ONE HOLDINGS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

4. CONTINUANCE OF OPERATIONS

These financial statements are prepared on a going-concern basis which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these financial statements.

As at June 30 and March 31, 2002, the Company had a deficit of \$2,198,505 and \$2,194,178 respectively. The ability of the Company to continue operating as a going concern is dependent upon, among other things, obtaining additional long-term financing and upon future profitable operations.

5. FAIR MARKET VALUE OF FINANCIAL INSTRUMENTS

As at June 30 and March 31, 2002, the fair value of cash, accounts receivable, accounts payable and short-term loans approximates carrying value because of the short-term maturity of these instruments.